NSC BRIEFING

1 April 1959

State Department review completed

MIDDLE EAST

- I. Iraqi situation continues to deteriorate. (US Embassy Baghdad sees 1959 as "Year of the Bear" in Iraq.)
 - A. Non-Communist propaganda media have been nearly eliminated-nationalist presses were smashed at time of Mosul revolt, and
 Baghdad Radio is more firmly than ever in Communist hands.
 - B. "Mass organizations" under Communist domination--trade unions, student unions, teachers associations, leagues for women's rights--are proliferating.
 - C. Paramilitary Popular Resistance Force remains in Communist hands, and, despite some feeble government efforts to curb it, demonstrates it is willing and able in some parts of the country to defy the authorities.
 - Bloc. He is encouraging Soviet activity and is establishing policies that discourage foreign and domestic private investment.
- II. Iraqi army seems unlikely to be able to mount a new coup; anti-Communist officers have been arrested, relieved of commands, or transferred.
 - A. Chief of air force and army chief of operations, army director of training, are believed pro-Communist if not actual Communists.
- 25X1 B. New units, loyal to Qasim being created.
 - III. Nasir's anti-Qasim campaign continues.

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IV. Communist bloc diplomats trying to smooth over UAR-Iraq differences.

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- C. No sign yet that Sovs using real pressure, such as delay or cancellation of military shipments to UAR, but UAR officials are apprehensive.
 - 1. Masir himself has renewed ples that US buy cotton at price der above world market to bolster UAR--especially Syrian--economy.
- V. Nasir on 30 March broke week-long silence to attack Arab Communists for dreaming of "Red fertile crescent" and Khrushchev for hypocritical talk about "democracy."
 - A. Nasir said Sovs have forgotten "what happened in their country in 1917," when a parliament was elected but dismissed by force and afterward only Communists allowed to "work in the political field."
- VI. In Iran relations with Soviet Union remain seriously strained and Shah has failed to bolster his personal prestige at home.

 Under these circumstances Franca internal security is subject

to added strain.

- A. Current Soviet effort aims to rouse Iranian nationalists against Shah.
- B. There is always danger of assassination of top Iranian leadership which would bring chaos.

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If internal dissatisfaction is exploited and develops as real threat to present regime, rightist military and civilian forces
might unite to force Shah to relinquish his power either by ousting him or reducing him to figurehead.